

**WDNR Counterproposal for
Environmental Cooperative Agreement
Between
3M Company – Menomonie WI
and
Wisconsin Department of Natural Resources**

This agreement is being entered into pursuant to s. 299.80 Wisconsin Statutes and represents the conditions negotiated and agreed upon by Wisconsin Department of Natural Resources (WDNR) and 3M Company ("3M" or "the Company"), for the purpose of providing a reduced emissions cap, reduced emissions and waste reduction based on production activity.

FOR AND IN CONSIDERATION of the terms and conditions contained in this agreement, WDNR and the Company set forth the following:

I. FACILITY INFORMATION.

3M Company
Building 0042-02-E-27
P.O. Box 3331
St. Paul, MN 55133

Contacts: Tamera M. Witer, Advanced Environmental Engineer
(651) 778 – 5251
fax: (651) 778 – 7203
e-mail: tmwiter@mmm.com

Mike Wendt, Senior EHS Engineer
(715) 235-5541
e-mail: mrwendt1@mmm.com

Facility Location: 1425 Stokke Parkway
Menomonie
Wisconsin

The 3M-Menomonie site charter is to provide a long-term semi-works site near 3M Center laboratories, which will give early manufacturing capability. Another essential part of the charter is to provide a long term manufacturing site for high technology and state-of-the-art product lines with the resident site management maintaining responsibility for overall site management.

The 3M-Menomonie facility employs approximately 421 people and occupies over 403,000 square feet in production, office, and associated warehouse space under one roof. The entire site size consists of 540 acres with a considerable portion of this land leased for agricultural production. The plant operates with a variety of production shifts with several business units operating continuous processes.

There are nine major operations located within the facility. A brief description of the operation or service area follows, which includes what aspects or impacts this operation could have on the environment.

A. Staff Groups

Plant Engineering

Logistics (Shipping/Receiving/Warehousing)

Environmental, Health, Safety & Security Group

Human Resources

Information Technology Support

B. Production Groups

E-Beam Line - Typical products include adhesive film for flexible printing circuits, automotive weather-stripping, and foam backings for the laminate floor industry. Process does produce some hazardous waste and solid landfill waste. This group manages operations that potentially affect air emissions, hazardous waste generation, and solid waste disposal.

Thin Film Technology Resources (TFTR) - Products from this operation are used in optical, protective, conductive or reflective applications. Process does produce a limited amount of hazardous waste and solid waste. There is a pretreatment water quality permit in effect in this area due to the chemical etching. This group manages operations that potentially affect water emissions, hazardous waste generation, and solid waste disposal.

Semiconductor Wafer Planerization (SWP) - a line process that produces abrasive products for application in the semi-conductor industry. The process does produce minimal amounts of solid and hazardous waste.

Personal Care & Related Products (PC&RP) - This process produces both the hook and the matching loop to be used as an integrated fastening system. This process produces some hazardous waste and a moderate amount of solid waste. This process recycles a considerable amount of waste product back into the process.

Tape Process Technology Center (TPTC) - produces a variety of coated adhesive tapes for the electrical products markets. Produces hazardous waste and a considerable amount of solid waste. There is an air permit due to the solvent coating. This group manages operations that potentially affect air emissions, hazardous waste generation, and solid waste disposal.

Specialty Fibers & Composites (SF&C) - The fibers are used in the manufacture of high temperature insulative products used in various applications. The fiber processes require a regulatory air permit. These processes do produce some hazardous and solid waste. This group manages operations that potentially affect air emissions, hazardous waste generation, and solid waste disposal.

Library Systems Department (LSD) - this process produces electromagnetic detection strips used in library books and other items for security applications. This process produces minimal hazardous waste and some solid waste.

Traffic Control Materials (TCM) - this process produces reflective sheeting used in the traffic sign and traffic construction safety industries. This department has a regulatory air permit. This process produces hazardous plating waste and some solid waste. This department recycles waste product back into the process. This group manages operations that potentially affect air emissions, hazardous waste generation, and solid waste disposal.

Optical Systems Division (OSD) - this process produces an optical film used on lap top computer screens and other application. There is also a product line that produces reflective products for clothing and other applications. This is a solventless coating operation, but does have an air permit. There is a supporting tool making process that produces tooling rolls for the web lines. It uses a hard chrome (VI) plating process, which requires an air permit. The department also has a converting department for some of the web products produced. This group manages operations that potentially affect air emissions, hazardous waste generation, and solid waste disposal.

Fuel Cell Project - Research and Development project for new fuel cell technology. The process produces some hazardous and solid wastes; but recycling is applied to reduce waste levels where economically viable.

Table 1: Permit Conditions Required by BACT/LACT/MACT/RACT

Site Description	Permits
Optical Systems Division (SIC 3081)	Air Permit 00-JAS-609 (construction) <ul style="list-style-type: none"> • Monthly VOC usage of 6650 lb./month • LACT is UV curable resins (LACT) Air Permit 97-MMH-605 (construction) <ul style="list-style-type: none"> • VOC <15 lb./day (LACT) • 0.015 mg chromium/dscm of ventilation air (MACT) • 0.58 lb. PM/hour
Specialty Fibers and Composites (SIC 3299)	Air Permit 01-JAS-630-OP <ul style="list-style-type: none"> • Formaldehyde <166 lb./month (BACT) • VOCs <13,500 lb./month (LACT) • 610 sol usage <115 lb./hr on CF1 and CF5 • <u>All sol <200 lb./hr on all Makers</u>
Tape Processing Technology Center (SIC 2672) Title V application submitted	Air Permit MIA-10-KJC-83-17-023 <ul style="list-style-type: none"> • Coatings <2.9 lb./gal, less water, as delivered (RACT) • VOCs <5,000 lb./day
Traffic Control Materials (SIC 3081)	Air Permit 96-MMH-616 (construction) <ul style="list-style-type: none"> • 187 gal/month Scotchclad • 71.5 gal/month Thinner • <7.14 lb. VOC/gal Thinner • 45 gal/month IPA • 1 gal/month MEK • 15 gal/month Naptha
Other Permits	General Tier II Stormwater Permit WI-S067857-2 General Noncontact Cooling Water Permit WI-0044938 Metal Finishing Categorical Pretreatment Standard 617007490 EPA Hazardous Waste WID078673084 POTW Local Ordinance Restrictions

The limits in **bold/red** font are the conditions that will be kept by the facility. These limits were established to satisfy LACT/BACT/RACT/MACT requirements and will not be changed. Other limits may be considered as a part of the work on the Title V permit.

VOC emissions are the primary release from the Menomonie facility and a reduction plan is planned as part of this proposal. Following are the emissions from the site based on 2001 reported emissions.

Division	Permitted Emissions (TPY)	Actual Emissions (TPY)
TPTC	249	46.3
OSD	40	3.64
SF&C	98	12.68
TCM	16	3.46
Total	403	66.08

Project Summary

This Environmental Cooperative Agreement will establish a facility-wide, Title V operating permit for 3M Company that combines environmental management commitments beyond those ordinarily required by WDNR rules with operational flexibility for the manufacturing facility. Within 60 days of signature of this Environmental Cooperative Agreement, WDNR will provide a project schedule leading to issuance of the Title V operating permit. The permit will reduce the facility's existing allowable VOC emissions of more than 400 tpy (tons per year), as authorized by the combination of existing air permits, to 249 tpy through a single, facility-wide VOC emissions cap. This cap will also establish the facility as a synthetic minor source for purposes of PSD (Prevention of Significant Deterioration) rules. As a part of the environmental management system, 3M Menomonie will set goals and report on progress towards:

1. reducing hazardous waste levels,
2. establishing and implementing an integrated contingency plan for emergency response,
3. reducing VOC per pound of good output by 25% from the year 2000,
4. reducing solid and chemical waste per pound of good output by 25% from the year 2000,
5. reducing TRI emissions per pound of good output by 50% from the year 2000.
6. doubling the number of 3P projects over the past five years

In exchange for agreeing to comply with more stringent limitations than currently required, 3M Company and the Wisconsin DNR will (based upon a schedule completed with 90 days of signing this agreement) design operational flexibility that would be accomplished through a number of pre-approved facility changes, subject to the limitations expressed in section XI of this agreement. Pre-approvals would be structured consistent with EPA's draft White Paper #3. Each pre-approval would therefore specify any emission control, monitoring, recordkeeping, or other requirements, which would be done in conjunction with implementing a pre-approved project. All such requirements would be equal in effect to corresponding requirements that would be put in place had the pre-approved project been permitted under WDNR's existing permitting workflow.

As an example, one of the pre-approvals is envisioned to authorize 3M's Optical Systems business to install one or more new emission sources. Any such operation installed under a pre-approval would be required to implement LACT. Elements of the preapproval process are diagrammed in the following tables:

Appendix B: Raw material change pre-approval.

Appendix C: Modification of emission sources.

Appendix D: BACT/LACT pre-approval.

This Environmental Cooperative Agreement also includes an Interested Persons Group according to section VII. The group will continue at least until the Title V operating permit is issued and will provide a valuable, additional channel of communication between 3M and the surrounding community.

II. DEFINITIONS.

The following definitions are applicable to this agreement:

- A. "Approval" means a permit, license or other approval issued by the department under chapters 280 to 295 Wis. Stats.
- B. "Cooperative agreement" means an agreement entered into under section 299.80(6), Wis. Stats.
- C. "Environmental management system" means an organized set of procedures implemented by the owner or operator of a facility to evaluate the environmental performance of the facility and to achieve measurable or noticeable improvements in that environmental performance through planning and changes in the facility's operations.
- D. "Environmental performance" means the effects, whether regulated under chapters 280 to 295 Wis. Stats. or unregulated, of a facility on air, water, land, natural resources and human health.
- E. "Facility" means all buildings, equipment and structures located on a single parcel or on adjacent parcels that are owned or operated by the same person.
- F. "Interested person" means a person who is or may be affected by the activities at a facility that is covered or proposed to be covered by a cooperative agreement or a representative of such a person.
- G. "Performance evaluation" means a systematic, documented and objective review, conducted by or on behalf of the owner or operator of a facility, of the environmental performance of the facility, including an evaluation of compliance with the cooperative agreement covering the facility, approvals that are not replaced by the cooperative agreement and the provisions of chapters 280 to 295 Wis. Stats. and rules promulgated under those chapters for which a variance is not granted under section 299.80(4) Wis. Stats.
- H. "Pollutant" means any of the following:
 - 1. Any dredged spoil, solid waste, incinerator residue, sewage, garbage, refuse, oil, sewage sludge, munitions, chemical wastes, biological materials, radioactive substance, heat, wrecked or discarded equipment, rock, sand, cellar dirt, or industrial, municipal, or agricultural waste discharged into water or onto land.
 - 2. Any dust, fumes, mist, liquid, smoke, other particulate matter, vapor, gas, odorous substances or any combination of those things emitted into the air, but not uncombined water vapor.
- I. "Violation" means a violation of a cooperative agreement, of an approval that is not replaced by the cooperative agreement or of a provision of chapters 280 to 295 Wis. Stats. and rules promulgated

under those chapters for which a participant has not received a variance under section 299.80(4) Wis. Stats.

III. PERIOD OF AGREEMENT.

This agreement shall commence following its signing by both parties and continue for five years, during which period the 3M Company and WDNR shall abide by all terms and conditions contained herein. At least fifteen (15) working days prior to the expiration of this agreement, WDNR shall notify the Joint Committee on Finance of the Wisconsin State Legislature that WDNR proposes to renew this agreement, unless WDNR determines that the agreement is no longer consistent with s. 299.80(2), Wis. Stats. or 3M Company objects to renewal. This agreement may then be renewed up to five years, pursuant to s. 299.80(6e), Wis. Stats.

The performance commitments contained herein shall continue to apply to 3M Company following the expiration of this agreement unless the agreement is revoked or terminated pursuant to Section IV below. Performance commitments that take effect ten years from the original date of this agreement are only applicable if the agreement is renewed for an additional five years after its original five-year term.

IV. AMENDMENT/REVOCATION.

Pursuant to s. 299.80(7), Wis. Stats., WDNR may amend this agreement with the consent of the Company or for cause. After providing 30 days written notice to WDNR, the Company may terminate this agreement if the permit is not completed within the first 14 months after signing this agreement or if the preapproval process is not completed within 18 months after signing this agreement. WDNR may revoke this agreement if the Company is in substantial noncompliance, refuses to amend this agreement, is unable or unwilling to meet commitments to superior environmental performance or has not addressed a substantive issue raised by a majority of the interested persons (s. 299.80(7), Wis. Stats). Furthermore, at any time during the period of the agreement, the Company may request to reopen the agreement for potential modifications to reflect changing business conditions, environmental performance goals, modification or inclusions of other provisions, or for other valid reasons as mutually agreed with WDNR. WDNR shall provide at least 30 days for public comment on the proposed amendment or revocation of a cooperative agreement and an opportunity for a hearing if comments demonstrate considerable public interest in the proposed action.

V. ENTIRE AGREEMENT.

This agreement, together with any specifications, referenced parts, attachments and effective amendments, shall constitute the entire agreement. Communications or understandings made prior to the signing of this agreement and pertaining to its subject matter are hereby superseded. All revisions to this agreement must be made by a written amendment to this agreement, signed by both parties and issued under the same procedures as this agreement.

VI. APPROVALS COVERED.

The following pollution control permits previously granted by WDNR to the Company are covered under this agreement:

Table 2: Permit List

Process	Permit
Optical Systems Division (SIC 3081)	Air Permit 00-JAS-609 (construction) Air Permit 97-MMH-605 (construction)
Specialty Fibers and Composites (SIC 3299)	Air Permit 01-JAS-630-OP
Tape Processing Technology Center (SIC 2672) Title V application submitted	Air Permit MIA-10-KJC-83-17-023
Traffic Control Materials (SIC 3081)	Air Permit 96-MMH-616 (construction)
Other Permits	General Tier II Stormwater Permit WI-S067857-2 General Noncontact Cooling Water Permit WI-0044938 Metal Finishing Categorical Pretreatment Standard 617007490 EPA Hazardous Waste WID078673084 POTW Local Ordinance Restrictions

As a part of the Title V permitting process, a full review of permit data base will be completed and any relevant permits and conditions will be added to the permit condition table and permit list without formally amending the cooperative agreement

All of the conditions and requirements, including potential emissions rates where applicable, embodied in these permits remain in effect without modification unless Section XI (Operational Flexibility and Variances) of this agreement, and/or the Title V permit becomes the primary enforceable documents.

3M Company requests that WDNR grant approval for certain types of projects if each project meets all of the conditions specified in Section XI of this agreement. Projects not eligible for approval under Section XI may be eligible for approval under normal WDNR procedures.

VII. INTERESTED PERSONS GROUP.

As stated under the Environmental Cooperation Pilot Program, "An 'interested person' is a person who is, or may be, affected by the activities at a facility that is covered, or proposed to be covered, by a Cooperative Environmental Agreement or a representative of such a person." 3M has identified a number of individuals from multiple areas as members of an Interested Persons Group. Following is a list of the interested persons group:

- Edward M. Jenson, Superintendent, Menomonie Wastewater Utility
- Keith Bergeson, Dunn County Department of Public Health
- Mike Beaupre, Director, Indianhead Enterprises
- Dr. Martin Ondrus, UW-Stout, Chemistry Department
- Ed Smith, Menomonie City Council Member and Plan Commission
- WDNR Representative

The group would be responsible for reviewing and understanding 3M's proposal under the Environmental Cooperation Pilot Program and for providing input to the subsequent draft Cooperative Environmental Agreement. The group would be familiar with the EMS at the facility, the objectives and targets, and the environmental impacts from the facility.

Information would be provided to the public about the facility's environmental performance and project results, including environmental, social and economic impacts. Interested persons group meetings will occur during the development of the agreement and continue to be held every six months until the Title V permit is issued and the preapprovals have been designed and tested. Annual communication will continue until the agreement is terminated

3M Company and WDNR are committed to working with interested persons group to make this agreement a success.

VIII. COMMITMENT TO ENVIRONMENTAL MANAGEMENT SYSTEM.

3M Menomonie has a strong Environmental Management System (EMS) in place that was ISO14001 certified on December 7, 2000. Wisconsin DNR is in receipt of the certificate issued to the facility from Underwriter's Laboratory and accepts this as satisfaction of the requirement to have an environmental management system in place within one year of signing the agreement. 3M Company agrees to provide documentation of recertification certificates, as issued, as a part of the annual reporting under this agreement.

The performance of this system and related systems is documented in Appendix A of this agreement. That documentation describes the policy as well as environmental results that have been achieved by the company through their Pollution Prevention Pays (3P) and other environmental programs. The department will work with 3M Menomonie to incorporate green design elements into components of the cooperative agreement as proportional incentives can be identified.

IX. COMMITMENT TO CONTINUING ENVIRONMENTAL IMPROVEMENT.

Summary

3M Company's proposed project may result in emission reductions of VOC's and TRI pollutants as well as hazardous waste and solid waste. The potential emission reductions proposed as part of this agreement are greater than requirements currently in place for 3M Company and compliment the reduction in the emissions cap for the facility.

3M Company will reduce the Title V cap to 249 TPY VOC emissions to become a PSD minor source. 3M Company will set a goal of 10% reduction per year in the VOC emissions cap during the term of the agreement and the reduction goal will be evaluated at the time of renewal of the agreement.

Under this agreement, the Company will report the progress towards accomplishing the targets established in the environmental management system and identify any additional targets established over the course of this agreement.

Innovation

This proposal represents an innovation from the current regulatory framework because a facility limit that is over 150 tons VOC emissions below current permitted levels, presents a goal for reductions over time to that level and provides for continual reductions in air emissions and generation of wastes. In addition,

the agreement recognizes the additional work at the facility to create, implement and manage an integrated contingency plan that provides for integrated emergency response.

By setting forth interim and final limitations to be achieved by the Company in five years and beyond (contingent upon renewal), this proposal encourages technological innovation by providing 3M Company with the time to investigate the best methods to achieve reduction goals. In contrast, under the current regulatory environment companies often have limited time and flexibility to implement the emission control and waste reduction requirements.

This proposal will encourage 3M Company to establish progressively lower emissions based upon environmental benefit that can be achieved considering the cost of control and the reduction achieved. The Company will also be able to investigate new emission control strategies that it would not otherwise investigate under the current regulatory environment as a part of the research and development of new products and the corresponding manufacturing processes.

X. POLLUTION LIMITS.

This agreement will establish a facility-wide VOC emissions cap of 249 tons per year to replace the various separate, annual emission limits in existing permits. The requirements listed in Table 1 of Section I, which have been established in existing permits for purposes of satisfying LACT, RACT, BACT, MACT, or NR 445, will be incorporated directly in the Title V permit. These new emission limits are supplementary and do not alter or replace any permitted HAP emission limits contained in the permits. Thus, this agreement will not affect the emission limits contained in any previous approvals granted by WDNR to discrete operations at 3M Menomonie. A Title V permit will be issued after the execution of this agreement that will set a 249 ton potential emissions limit and may effect some of the limits set in the previously established permits. Provisions of this agreement may be amended as a part of that process in order to reflect the revised limits.

With the exception of those requirements identified in Section XI (Operational Flexibility and Variances), the Company commits to abide by all current applicable environmental requirements. Any provisions of permits or approvals not covered by this agreement in Section XI shall remain in effect. The Company also commits to abide by all future applicable environmental requirements.

As stated above, 3M Company agrees to enforceable commitments that will be applicable to its Menomonie Operations accordingly:

1. Hazardous Air Pollutants

No exemptions or exclusions shall be provided as a part of pre-approved scenarios that would exceed 10 tons per year individually and 25 tons per year combined as specified in section 112 b of the Clean Air Act.

2. BACT/LAER

A presumptive BACT/LAER for pollutants regulated by ch. NR 445 (current table 3) that would be reopened prior to renewal of the agreement

3. MACT

No projects would be considered under the “pre-approved” scenarios that would be subject to promulgated MACT standards.

Prior to completion of the Title V permitting process, the Company will review the feasibility of 85% control of VOC from the process lines subject to the requirements of s. NR424.03, Wis Adm. Code. Prior to issuance of the Title V permit, Wisconsin DNR and the Company will evaluate the results of the review including other strategies (e.g. source reduction) to accomplish reduced emissions. If controls are not feasible or other approaches would yield equivalent results over time, then a presumptive LACT will be developed. The presumptive LACT will be reopened prior to renewal of the agreement.

The above conditions will be discussed during the Title V and pre-approval development. In the cases where 3M or other states have established the same or similar pre-approval procedures, the WDNR will consider those conditions for incorporation into the “pre-approved” scenarios developed as a result of this agreement.

3M Menomonie shall maintain records to demonstrate compliance with the enforceable commitments made under this agreement and to provide WDNR with information in an annual report on its emissions and efforts.

XI. OPERATIONAL FLEXIBILITY AND VARIANCES.

In exchange for the environmental commitments discussed above, 3M Menomonie and Wisconsin DNR will design and implement a number of pre-approved projects and facility changes which can be implemented by 3M at any time during the term of the agreement. All pre-approved changes will be structured in a manner consistent with EPA's draft White Paper #3, and will rely in key part on the facility-wide VOC cap of 249 tpy which will establish the facility as a synthetic minor source for purposes of PSD applicability. Within 90 days of signing this agreement, the department will establish a time line for the development of pre-approvals. These pre-approvals may not be implemented prior to completion of the Title V permit that establishes the PSD minor source status for the facility and put in place the facility wide limit.

Pre-approvals will be structured to specify any emission control, monitoring, record keeping or other requirements, which would be done in conjunction with implementing a pre-approved project. All such requirements will be equal to or equal in effect to those which would have been put in place had the pre-approved project been permitted under WDNR's existing permitting workflow, including, but not limited to, any applicable requirements under federal MACT standards, NSPS, LACT, RACT, and NR 445. It is anticipated that NR 445 requirements in pre-approvals will be addressed, in part, through establishment of a presumptive BACT/LAER for the pollutants regulated by (current) table 3 of ch. NR 445. This presumptive BACT/LAER would be reopened prior to renewal of the agreement.

The research and testing approval will be the first preapproval designed, tested and implemented as a part of this agreement in order to provide more responsive time frames and more effective involvement of stakeholders. Additional examples of pre-approved changes are contained in the listing of appendices that follow this paragraph. The diagrammed logic in the appendices are provided at this time for purposes of example and for purposes of emphasizing that pre-approvals would be structured to allow rapid implementation of the project and more effective consideration of environmental impact.

The time line will specify the proposed completion dates for pre-approved change methodologies in the following areas as diagrammed in the appendices referenced:

Appendix B: Raw material change pre-approval.

Appendix C: Modification of emission sources.

Appendix D: BACT/LACT pre-approval.

Any proposed change at the 3M facility which is not addressed under a pre-approval process will require issuance of a construction or other permit by WDNR according to the permitting authority's normal workflow.

XII. REPORTING OF VIOLATIONS.

Any violations discovered as part of the baseline performance evaluation or annual performance report required under Section XIII shall be disclosed to WDNR within 45 days of the completion of the evaluation or report. Any such notification shall contain the information required under s. 299.80(12), Wis. Stats. WDNR may not take any civil enforcement action on any such reported violations if they are corrected within 90 days of notification, unless the violations present an imminent threat to public health or the environment or may cause serious harm to public health or the environment, or the department discovers the violations before the Company discloses them. This does not exempt the Company from the requirements for immediate notification contained in s. 292.11, Wis. Stats. Any criminal violations would always be subject to WDNR enforcement action.

If a longer period of time is needed to correct the violations, a compliance schedule can be negotiated and the agreement modified allowing a compliance schedule of up to 12 months.

XIII. BASELINE AND PERIODIC PERFORMANCE EVALUATIONS.

Within 180 days of signing this agreement, the Company shall submit to WDNR and members of the interested persons group a baseline performance evaluation.

The Company shall also submit an annual performance report to WDNR and members of the interested persons group within 90 days after the first full year of the agreement and each year of the agreement thereafter. Each annual performance report shall satisfy the requirements outlined in Section II.G. of this agreement. In addition, each annual performance report shall include:

- Actual air emissions reductions;
- Actual hazardous waste, solid waste and chemical waste reductions;
- Actual TRI reductions;
- Status of implementation of the Integrated Contingency Plan;
- P3 project summaries
- Changes made to the objectives and targets for the upcoming year; and
- Information concerning any non-performance with this agreement for the previous year.

The annual performance report will include an evaluation of the EMS. The annual performance report also will identify areas of success and areas for improvements beyond those specified above.

The annual performance report will also include an assessment of the success of the project in reducing the time and money spent by 3M Menomonic and WDNR on paperwork and other administrative activities that do not directly benefit the environment. In order to assist 3M Menomonic with this assessment, WDNR shall maintain a record of its own administrative savings and other cost savings associated with this agreement. WDNR shall provide this information to the Company on at least an annual basis.

3M Menomonie shall provide a draft of each annual performance report to WDNR for review and comment prior to final publication. The interested person's group will receive a copy of the submitted performance report for review. 3M Menomonie shall also solicit suggestions from WDNR and the interested persons group on how to improve performance under the agreement.

3M Menomonie shall make copies of all baseline and periodic performance evaluations available for public inspection on the Internet or in other formats upon request.

XIV. APPLICABLE LAW.

The laws of the State of Wisconsin shall govern this agreement. Except as provided herein, the Company shall at all times comply with all Federal, State, and Local laws, ordinances and regulations in effect during the period of this agreement.

XV. ADDRESSES.

WDNR and the Company shall each assign a Project Manager for the duration of this agreement. The Project Managers shall be familiar with the history and contents of the agreement, and it shall be their responsibility to oversee and coordinate the necessary actions as contained in the agreement. The Project Managers shall facilitate communications between the parties to this agreement and serve as the primary contacts for all related inquiries. The following individuals are initially assigned to serve as Project Managers. Changes in the information listed below shall be forwarded to the other party when effective and shall become part of this agreement without a formal amendment.

Mark Harings
Wisconsin Department of Natural Resources
West Central Region
1300 W. Clairemont Ave.
Call Box 4001
Eau Claire, WI 54702-4001

Tamera M. Witer
3M Environmental Technology and Safety Services
Building 42-2E-27
PO Box 33331
St. Paul, MN 55133-3331

IN WITNESS WHEREOF, the parties by their signatures shall cause this agreement to be executed on the date aforementioned.

Signed for and on behalf of:

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

Date: _____ By: _____

Title: _____

DRAFT

08/12/2002

Signed for and on behalf of:

3M MENOMONIE

Date: _____ By: _____

Title: _____

Appendix A

Environmental Performance PlanCorporate Environmental Policy

Applicability	This policy applies to all 3M operations.
Introduction	3M has recognized the necessity for responsible environmental management and conservation of resources. 3M has also recognized the global nature of environmental matters and the importance of industry's constructive cooperation in achieving international environmental conservation. Over the years, 3M has established a record of many significant pollution control projects at its facilities worldwide.
Policy Statement	<p>3M will continue to recognize and exercise its responsibility to:</p> <ul style="list-style-type: none">• Solve its own environmental pollution and conservation problems.• Prevent pollution at the source wherever and whenever possible.• Develop products that will have a minimum effect on the environment.• Conserve natural resources through the use of reclamation and other appropriate methods.• Assure that its facilities and products meet and sustain the regulations of all federal, state, and local environmental agencies.• Assist, wherever possible, governmental agencies and other official organizations engaged in environmental activities.

A. Pollution Prevention Pays

The Pollution Prevention Pays (3P) program at 3M began in 1975 with the goal of eliminating or reducing sources of pollution in 3M products and processes. This program has been recognized globally for its innovation in environmental management by focusing on pollution prevention, rather than pollution control. Since program inception, 3M has developed over 4,800 projects that have prevented over 1.6 million pounds per year of pollution with a corresponding first-year savings of over \$857 million worldwide.

Sustainability is advanced by the continuous improvement to meet our aggressive environmental goals that strive to reduce our environmental footprint. These goals are part of the 3M EHS Management System that is intended to provide each Business Unit and International Subsidiary with targets for continuous environmental improvement. 3M's new five year corporate environmental goals program, Environmental Targets 2005 (ET'05), has a target to double the number of 3P projects from 200 to 400 over the next five years (2001-2005).

A 3P project must fulfill fundamental requirements below to be eligible for consideration, including:

- Have monetary benefit to 3M; **AND**
- Eliminate or reduce a pollutant; **OR**
- Reduce energy consumption.

Projects that satisfy these basic 3P requirements and meet one of the following special criteria will receive special recognition.

Excellence Criteria

Utilize a unique or original design; **AND**
Involve significant technical accomplishment.

Examples include:

Original process design to reduce or eliminate waste, emissions, etc.
New process to recycle waste back into final product.

Green Step Criteria

Have an LCM review completed; **AND**
Show reduction in emissions during manufacturing over a similar family of products; **OR**
Show reduction of releases for the customer.

Examples include:

Reduction in pounds of emissions per unit of product.
Working with customers to reduce waste from 3M products (liners, returns, etc.).

Guardian Criteria

Reduce or eliminate toxic emissions during manufacturing; **OR**
Reduce or eliminate toxic releases for the customer; **OR**
Introduce a new product that has no toxic releases.

Examples include:

Reformulate coating to reduce Hazardous Air Pollutant (HAP) or Toxic Release Inventory (TRI) chemical content.
Substitute non-HAP/TRI chemical.

Mobius Criteria

Incorporate recyclable or reuse benefits of product packaging; **OR**
Reduce the amount of packaging materials required for products.

Examples include:

Exchange program with vendors/plants (returnable/reusable packaging containers).
Reduce pounds of packaging per unit of product.

Mover Criteria

Demonstrate improvement in goods distribution.

Examples include:

Consolidation of products shipped to customers/vendors and/or from suppliers.
Reduce vehicle miles traveled per unit of product.

B. Environmental Targets

3M is proactive in setting goals and targets to reduce the impact of their operations on the environment. Through this reduction and metric tracking, the laboratories and facilities are able to make a conscious effort to reformulate products to those that contain fewer VOCs, look for process optimization and waste reduction opportunities, and various other activities. This will not only reduce the present impact, but also prevent the generation of hazards in the future. 3M established Year 2000 goals in 1990. Different metrics were tracked over 10 years. 3M achieved the following results:

- 88 percent reduction in volatile organic air emissions
- 82 percent reduction in releases to water
- 24 percent reduction in solid waste
- 35 percent reduction in the rate of waste generation

Even though much success was gained through the Year 2000 goals, 3M is now setting targets to do even more. The new program is called Environmental Targets 2005 (ET'05). The targets are:

By the end of 2005, 3M will:

- Improve energy efficiency per pound of product by 20 percent.
- Reduce waste per pound of product by 25 percent.
- Reduce volatile air emissions per pound of product by 25 percent
- Reduce Toxic Release Inventory releases per pound of product by 50 percent based on 1999, United States only
- Double the number of Pollution Prevention Pays projects from the previous five-year period

These goals help to ensure that metrics are being tracked and that every effort is made to reduce the impact on the environment. This is done above and beyond the legal requirements that the facilities are already adhering to.